



28 November 2019

**ASX CODE: MTB**

## **CHAIRMAN'S ADDRESS TO SHAREHOLDERS – AGM 2019**

Good afternoon Ladies and Gentlemen: My name is Nigel Forrester, Chairman and a major shareholder of Mount Burgess Mining.

Thank you for joining me and my fellow Directors at today's AGM.

Further to my address in the Company's Financial Statements I would like to update you all today with this address.

With regard to the Company's Kihabe-Nxuu Project it is our intention to initially concentrate on developing the totally oxidised polymetallic Nxuu Deposit, containing Zinc, Lead, Silver, Germanium and Vanadium. It is a shallow basin-shaped deposit with a maximum depth of 64 meters, presenting as a potential low cost, low risk operation with potential for onsite metal/mineral recovery processes to be applied, thereby achieving beneficiation within Botswana.

Recent and historical drilling has shown that significant Vanadium assay results have been obtained from the Company's Kihabe and Nxuu Deposits, as well as the Gossan Anomaly.

With its potential future demand for energy storage in Vanadium Redox Flow batteries, significant time was spent during the year on mineralogical and metallurgical test work on the Nxuu Deposit Vanadium samples. This was conducted by ALS Metallurgy Pty Ltd (ALS) with the following results:

- Mineralogical test work confirmed that the Vanadium is hosted in the oxide vanadate DESCLOIZITE, where the mass of Vanadium Pentoxide is 1.785 times the mass of Vanadium.
- Metallurgical test work confirmed that 82% of Vanadium Pentoxide equivalent can be recovered on site from DESCLOIZITE through flotation using a Hydroxamate oxide collector for recovery to a concentrate. This can then be followed by straightforward hydrometallurgical steps to produce Vanadium Pentoxide.

Vanadium Pentoxide presents as a significant credit for the Project. To date, neither Vanadium Pentoxide nor Germanium have been included in resource estimates for either of the Nxuu or Kihabe Deposits.

Significant intersections of Vanadium Pentoxide mineralisation occur outside of the known Zinc and Lead domains, which will add significantly to the overall mineralised widths within the Nxuu Deposit.

With particular emphasis on reducing power requirements, further metallurgical test work was conducted on the Nxuu Deposit by EXXARO and STEINERT Australia Pty Ltd (STEINERT).

EXXARO conducted Ultra Fine Dense Media Separation test work and STEINERT conducted Sensor Sorter test work on ore, after crushing but before milling.

STEINERT's Sensor Sorter process uses an X-ray transmission sensor that measures atomic density in conjunction with a 3D laser sensor, which measures particle height to target dense areas of mineralisation. Two test work regimes were conducted by STEINERT on the +4mm size fraction of crushed quartz wacke, the host of mineralisation.

The results were described by STEINERT as very promising, showing that:

- 45% was separated and rejected as being insignificantly mineralised
- Only 55% of a higher grade concentrate was required for milling and downstream treatment.

With milling consuming the most amount of power in the treatment process, the Sensor Sorter process will result in a significant reduction in power requirements and power costs. This will also result in a significant reduction in capital and downstream treatment costs, as well as a reduction in water consumption and the Project's environmental footprint.

As it is possible that the Company will have to rely on generating its own power for the Project, it is of particular importance to determine as soon as possible what those ultimate power requirements will be. Accordingly, the Company now plans to:

- Conduct bulk test work through STEINERT'S Sensor Sorter process to verify the bench scale test work results
- Conduct test work on the Vertical milling process, which, if successful, could result in further significant reduction in power requirements. Vertical milling can require as little as 25% of the power required for traditional ball milling.

In regard to the provision of power for the Project, the Company is in communication with the Botswana Power Corporation regarding the progress of the upgrade of grid power to Western Ngamiland and assessing the commerciality of constructing a link line from Gumare to the Project.

In parallel, the Company is also progressing discussions with companies that provide solar hybrid power solutions.

Once a power option has been verified and shown to be commercial and once the Company has completed some 2,500m of diamond core drilling at the Nxuu Deposit, which is subject to funding, it should then be able to:

- Quote a Mineral Resource compliant with the 2012 JORC Code.
- From thereon progress to a Pre-Feasibility Study, followed by a Definitive Feasibility Study.

Prospecting Licence PL 43/2016 (The Kihabe – Nxuu Project) was renewed in November 2018 for a further two years to 31 December 2020, with a right to renew beyond that for a further two years to 31 December 2022. The Company would like to thank Minister Molale for his understanding in allowing renewal over the whole 1,000 sq km of the original licence area. This allows for potential further discoveries to be made outside of the currently known mineralised domains.

One thing I would like to point out to shareholders, is the Company is only showing Kihabe - Nxuu project capital expenditure on its Balance Sheet amounting to A\$1,520,000. In 2013 the Company wrote off A\$14,800,000 of capital expenditure as a result of not getting its Prospecting Licence renewed at that stage. Even though the current Prospecting Licence PL 43/2016 was granted in January 2016, none of the A\$14,800,000 resource development expenditure has been recapitalised at this stage.

I extend my sincere thanks to those continually supportive shareholders that have helped fund the Company during the past year. Further loan funding has been extended by existing Board Members who together with Executive Staff Members have applied significant time on behalf of the Company without being paid accordingly. For this I am extremely grateful.

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